

-FILED-
OCT 18 2019
 At ROBERT N. TRGOVICH, Clerk M
 U.S. DISTRICT COURT
 NORTHERN DISTRICT OF INDIANA

UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF INDIANA
 HAMMOND DIVISION

UNITED STATES OF AMERICA)
)
 v.)
)
 HANS TECH, LLC)

Cause No. **2 : 1 9 C R 0 1 3 4**

PLEA AGREEMENT

Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, come now the United States of America, by Assistant United States Attorney Jill Koster, the defendant, Hans Tech, LLC (hereafter “Hans Tech”), and Thomas Durkin and R. Tamara de Silva as attorneys for the defendant, and show the Court they have entered into a plea agreement as follows:

1. Lu Shao, President of Hans Tech, acknowledges by her signature below that she has the legal authority to bind Hans Tech and can therefore serve as its agent in this matter. Lu Shao is represented by attorneys Thomas Durkin and R. Tamara de Silva in this matter, and she expressly waives any conflict of interest those attorneys have in representing her personally while also representing her company, Hans Tech.

2. Hans Tech has received a copy of the Information charging it with committing wire fraud in violation of Title 18, United States Code, Section 1343, and Lu Shao, the agent of Hans Tech, has read it and discussed it with her lawyers who are also the lawyers for Hans Tech. Hans Tech

believes and feels that it understands every accusation made against it in this matter. Hans Tech has agreed, as set forth in a separate filing with the Court, to waive its right to Indictment by a federal Grand Jury with respect to the charged offense and to plead guilty to Count 1 of the Information filed simultaneously herewith.

3. Hans Tech has told its lawyers all of the facts and surrounding circumstances known to it concerning the matters in the Information and believes and feels that its lawyers are fully informed as to the nature and cause of every accusation against it. Hans Tech acknowledges that its lawyers have counseled and advised it as to the nature and elements of the charges against it and as to any possible defenses it might have.

4. Hans Tech understands that it is entitled to have all of its rights which may be involved in this matter explained, and that it has the right to have any questions it may have answered.

5. Hans Tech understands that it has the right to plead not guilty to any offense charged against it, and that under a plea of not guilty the Constitution guarantees Hans Tech:

- a. the right to a speedy and public trial by a twelve-person jury of its peers, selected according to law in the Northern District of Indiana, which must return a unanimous verdict of guilty before Hans Tech can be convicted;
- b. the right to see, hear, and cross-examine all the witnesses against it at trial;

- c. the right to use the power and process of the Court to compel the production of any evidence, including the attendance of any witnesses;
- d. the right to the assistance of counsel at every stage of the proceedings, including upon an appeal if need be; and
- e. that in the event Hans Tech should be found guilty of the charge against it, Hans Tech would have the right to appeal its conviction on such charge to a higher court.

Hans Tech understands that if it pleads guilty, it waives the right to trial by jury and all of the other rights mentioned above.

6. Hans Tech understands that under the U.S. Sentencing Guidelines, the Court, in light of an investigation by the U.S. Probation Office, will determine the applicable sentencing guideline range for the imposition of a fine against Hans Tech. Hans Tech understands that the U.S. Sentencing Guidelines are advisory only, and that the specific sentence to be imposed upon Hans Tech will be determined by the judge after consideration of a pre-sentence investigation report, input from counsel for Hans Tech and the government, federal sentencing statutes, and the U.S. Sentencing Guidelines.

7. Notwithstanding the above, Hans Tech has, with the assistance of counsel, entered into an agreement with the U.S. Attorney's Office as

follows:

- a. Hans Tech, by its agent Lu Shao, will plead guilty to Count 1 of the Information charging it with wire fraud in violation of Title 18, United States Code, Section 1343. Hans Tech is pleading guilty to Count 1 of the Information because Hans Tech is in fact guilty of this offense.
- b. Hans Tech understands that the maximum possible penalty it faces is a fine of up to \$250,000 as well as any forfeiture and restitution ordered by the Court.
- c. Hans Tech understands that this is an interlocking plea agreement, contingent upon Qingyou Han executing and pleading guilty in accordance with his plea agreement in Case No. 2:18-cr-00079 PPS-JEM and fulfilling all of the requirements contained therein. Furthermore, Hans Tech understands that if for any reason Qingyou Han fails to accept and otherwise follow through, completely and fully to the full satisfaction of the U.S. Attorney's Office, with each and every requirement of his plea agreement, the U.S. Attorney shall have the right to withdraw this plea agreement and the plea agreement offered to Qingyou Han in Case No. 2:18-cr-00079 PPS-JEM.
- d. Hans Tech is aware that it may have an affirmative defense to the charge in Count 1 of the Information, namely that the Information has been filed outside the statute of limitations in Title 18, United States Code 3282(a). After consultation with my attorney and in consideration of the other benefits set forth herein, Hans Tech expressly waives all potential defenses grounded upon the applicable statute of limitations with respect to the charge in Count 1 of the Information.
- e. In exchange for Hans Tech executing and pleading guilty in accordance with this agreement and fulfilling all of the requirements contained herein, the U.S. Attorney agrees to seek leave of court at Hans Tech's sentencing hearing to dismiss Counts 1 and 2 of the Superseding Indictment in Case No. 2:18-

cr-00079 PPS-JEM as to Hans Tech's agent, Lu Shao, and not to file any additional charges against Lu Shao which could be brought based upon her conduct in the Northern District of Indiana and elsewhere which is related to this criminal investigation and is currently known to the government.

- f. Hans Tech agrees to be voluntarily excluded for a period of five years pursuant to 2 C.F.R. part 180, due to the Covered Conduct in which it knowingly engaged as described in the Information. The exclusion shall be effective as of the signing of this agreement. Such exclusion shall have national effect and shall apply to all other Federal procurement and nonprocurement programs.
- g. Hans Tech agrees to the entry of a money judgment against it in an amount to be determined by the Court which represents the amount of proceeds derived from the commission of the offense to which it is pleading guilty. Hans Tech further consents to the entry of orders of forfeiture pursuant to Federal Rule of Criminal Procedure 32.2. Hans Tech understands that the United States has agreed to petition the Attorney General for the purpose of using the money judgment proceeds it pays toward the amount of restitution ordered by the Court. Hans Tech understands that the grant of such petition lies within the sole discretion of the Attorney General or his designee and is subject to Department of Justice guidelines.
- h. Hans Tech also agrees to make restitution to the victim of its offense, the National Science Foundation, in an amount to be determined by the Court. In addition, Hans Tech agrees to make restitution to a victim of its scheme to defraud which was not the subject of counts charged in the Information, namely the Indiana Economic Development Corporation, in an amount to be determined by the Court.
- i. Hans Tech agrees to provide to the Financial Litigation Unit (FLU) of the U.S. Attorney's Office, at least 30 days before sentencing, and also upon request of the FLU during any period

of probation or supervised release imposed by the Court, a complete and sworn financial statement on a form provided by FLU and any documentation required by the form. Hans Tech expressly authorizes the U.S. Attorney's Office to obtain a credit report in order to evaluate Hans Tech's ability to satisfy any financial obligation imposed by the Court. Hans Tech's agent Lu Shao agrees to submit to an examination under oath on the issue of Hans Tech's financial disclosures and assets, if deemed necessary by the U.S. Attorney's Office. Hans Tech and Lu Shao further agree, upon request of FLU whether made before or after sentencing, to promptly cooperate in the identification of assets in which Hans Tech or Lu Shao have an interest and cooperate in the liquidation of any such assets.

- j. Hans Tech acknowledges and understands that any and all financial obligations imposed by the Court are due and payable in full upon entry of the judgment of conviction. Hans Tech further understands that any payment schedule imposed by the Court shall be the minimum it is expected to pay and that the government's collection of any and all court imposed financial obligations is not limited to the payment schedule. Hans Tech and Lu Shao agree not to request any delay or stay in payment of any and all financial obligations.
- k. Hans Tech understands that the law gives a convicted company the right to appeal its conviction and the sentence imposed. Hans Tech also understands that no one can predict the precise sentence that will be imposed, and that the Court has jurisdiction and authority to impose any sentence within the statutory maximum set for my offenses as set forth in this plea agreement. With this understanding and in consideration of the government's entry into this plea agreement, Hans Tech expressly waives its right to appeal or to contest its conviction and all components of its sentence or the manner in which its conviction or sentence was determined or imposed, to any Court on any ground other than a claim of ineffective assistance of counsel, including any appeal under Title 18, United States Code, Section 3742 or any post-conviction proceeding, including but not

limited to, a proceeding under Title 28, United States Code, Section 2255. Hans Tech also agrees to waive all rights, whether asserted directly or through a representative, to, after sentencing, request or receive from the United States any further records, reports, or documents pertaining to the investigation or prosecution of this matter; this waiver includes, but is not limited to, rights conferred by the Freedom of Information Act and the Privacy Act of 1974.

1. Hans Tech understands that the U.S. Attorney has reserved the right to tell the Court the good things about it and its agent(s) and the bad things about it and its agent(s), and to fully inform the Court of the nature and extent of the scheme set forth in the Information as well as the full extent of all participants' criminal history.

8. Hans Tech is prepared to state to the Court, through its agent Lu Shao, the facts in this matter that cause it to believe that it is guilty of the charge set forth in Count 1 of the Information. Hans Tech agrees that the following is just a summary and does not include all of the conduct supporting its conviction:

Between on or about June 1, 2006, through on or about August 31, 2014, Hans Tech, through its agents and representatives including co-Defendant Lu Shao, participated in a scheme to commit mail and wire fraud with others known to it, including Lu Shao's husband, Qingyou Han. The purpose of the scheme was to obtain National Science Foundation Small Business Innovation Research and Small Business Technology Transfer grant funds allocated for research and to use some or all of those funds for other purposes, including to pay personal expenses for the enrichment of Lu Shao, Qingyou Han and others. The false information provided to NSF consisted of material misstatements in, and material omissions from, grant proposals and reports (interim and/or final) submitted to NSF. Specifically, Hans Tech admits that the

allegations set forth in paragraphs 15 through 28 of the Information are true and accurate and that Hans Tech, through its agents and representatives including Lu Shao, made the false and fraudulent pretenses, representations, promises, and material omissions set forth therein knowingly and intentionally. Hans Tech further specifically acknowledges that on or about June 30, 2014, in the Northern District of Indiana and elsewhere, for the purpose of executing the above-described scheme to defraud, Hans Tech, through its agents and co-schemers including but not limited to Lu Shao and Qingyou Han, knowingly caused a wire transfer of \$75,000 to be made from an NSF United States Treasury account in Kansas City, Missouri to a bank account held by Hans Tech in Birmingham, Alabama.

9. Hans Tech understands that if it violates any of the provisions of this plea agreement, including its continuing obligation to demonstrate acceptance of responsibility, the U.S. Attorney may at its option either (a) ask the Court to make a determination that it has breached a term in this agreement in which event Hans Tech will at sentencing lose the benefit of all the non-binding promises made by the government in this agreement and it would have no right to withdraw its guilty plea, or (b) the U.S. Attorney could seek to have the Court declare this entire plea agreement null and void, in which event Hans Tech can then be prosecuted for all criminal offenses that it may have committed.

10. Hans Tech believes and feels that its lawyers have done all that anyone could do to counsel and assist it, and that it now understands the proceedings in the cause against it.

11. Hans Tech declares that it offers its plea of guilty freely and voluntarily and of its own accord, and no promises have been made to it other than those contained in this agreement, nor have any threats been made in any way by anyone to cause Hans Tech to plead guilty in accordance with this agreement.

12. Hans Tech understands and acknowledges that this plea agreement, once filed with the Court, is a public document which is available for public viewing.

Dated: October 17, 2019

/s/ Lu Shao
Lu Shao, President
Hans Tech, LLC

/s/ Thomas Durkin
Thomas Durkin
Attorney for Defendant

APPROVED:

THOMAS L. KIRSCH, II
United States Attorney
By:

/s/ Jill Rochelle Koster
Jill Rochelle Koster
Assistant U. S. Attorney

/s/ Sonia Khanzode
Sonia Khanzode
Special Assistant U. S. Attorney